Why which means can a brand be managed to gain its desired image?
Bachelor Thesis
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Preface

I would like to express my gratitude to French Connection and its employees both in the Netherlands and in the United Kingdom for giving me the opportunity to research their company, for the provision of relevant information and their collaboration in questionnaires and interviews. In particular I wish to thank Silvia Stam, co-owner of the Dutch agency.

I also would like to thank all participants who took the time to fill out my survey. Likewise, I am very grateful towards the interviewees who have been willing to take the time to share with me their visions, thoughts and ideas about the reputation of French Connection and shopping behaviour in general. Their knowledge and insights gave me a clear picture of the perception Dutch consumers have of French Connection. They certainly provided me the building bricks to create this thesis and to develop valuable recommendations.

I am also very thankful to Constantin Felix von Maltzahn, Gert Lubbersen and Edwin Ket who have been very helpful in giving me feedback and instrumental remarks during the development of this thesis. Their input was very valuable to me.

And last, but certainly not least, I would like to thank both Monique Schnater and Jochem Noordam who gave me all the space and time necessary for the writing of this thesis. Thank you very much for your understanding, patience and help!

Charissa Ket,
Utrecht, June 2013
Executive summary

French Connection claimed to have developed a brand identity which is sexy, stylish and has attitude. FCUK as a short, sharp name to stand for French Connection United Kingdom had evolved to personify the casual wear offering of the French Connection brand. Nevertheless, about four years ago French Connection decided to no longer make FCUK a priority and focus on a new image and new core customers across all markets they operate in. This enhanced a change in the collections, a focus on their women’s collection trademark ‘embellished dresses’, celebrities wearing French Connection within the context of raising PR activities, openings of boutique stores as part of their ‘boutique concept’ and more new ways of communication embracing ‘French Connection’. This change of focus lead to the question: ‘By which means can a brand be managed to gain its desired image after repositioning amongst the Dutch female consumer?’

This report is structured according to a gap-analysis which is designed to map differences in a company’s identity and image with the aim of facilitating the right choices for the benefit of strengthening this same company’s image. A gap can occur on three levels; between the desired identity and the actual identity, between the desired identity and the physical identity and between the desired identity and the image. The results of researching the brand’s identity, the brand’s image and current trends in Dutch society in general, determined on which level a gap exists for which a communication plan is designed.

On identity-level, a clear view has been designed by the French Connection managers on how they perceive their business and what it wants to achieve. The company’s focus is clearly on offering an original, fashionable, distinctive yet accessible range of diverse products of good quality, which is aimed at various existing markets worldwide through diverse channels and focuses on confident and stylish customers belonging to the 18-45 age category, with the focus on 25-35 year old customers. The actual identity was measured amongst employees within the Dutch office of French Connection, and indicated the brand’s identity, positioning, market effects and consumer effects are considered to be clear as well for the Dutch agency and stakeholders. As the physical identity proceeds from the desired and actual identity, this was coherent yet over years some changes have occurred within the physical identity. Additionally concluded was that although much attention is being paid to marketing in the United Kingdom, within the Netherlands not all of the options in marketing tools accorded their full weight.

On image-level, the most important conclusions in relation to French Connection’s image amongst Dutch female consumers include: 1. a further focus on the positioning of ‘French Connection’ and all touch points of the brand ‘breathing’ ‘French Connection’ which will additionally contribute to a greater brand awareness overall. FCUK will no longer be used in any form of communication, 2. a remaining focus on differentiation from ‘fast fashion’ competitors by means of unique designs (with the dresses as trademark), good quality and creative, stylish yet slightly humorous means of marketing and 3. a focus on the dissemination of the core values ‘original’, ‘distinctive’ and ‘accessible’. Because of the importance of differentiation, the expression of the values ‘original’ and ‘distinctive’ need to get more attention and because of French Connection’s exclusive character as mentioned in some ways, the brand needs to show how ‘accessible’ it is and thus approachable.

Eventually, the gap analysis indicated the biggest gap is identified on the level of ‘desired identity’ as incoherent with ‘image’ as some crucial elements for a strong image did not match the identity.

Recommendations which formed the basis for the external marketing communication include a focus on expressing French Connection’s desired image (simultaneously raising brand awareness), a focus on the right communication of French Connection’s set of key values, a more accessible approach to potential customers to take away the brand’s association with exclusivity and a focus on Dutch working women between the age of 25-45 within the broader perspective of potential customers and cherishing the product category ‘dresses’. As current trends within the Dutch culture include the demand for an individual approach and treatment, limited time but a focus on quality time in people’s lives, a possible rejection to innovation, the importance of clarity, an economic crisis and blurring fashion trends, these need to be considered too for an unconventional new approach matching French Connection’s identity, relevant for the consumer and distinguishing from competition.
Chapter 1: Introduction

1.1 Introduction

French Connection claims to have developed a brand identity, which is sexy, stylish and has attitude. FCUK is a short, sharp name designed by the company to stand for French Connection United Kingdom and a simple advertising campaign launched FCUK onto the British High Street in the spring of 1997 and has since evolved to personify the casual wear offering of the French Connection brand. Controversial ad campaigns featuring 'fcuk fashion' and 'fcuk advertising' hit the headlines and established the brand’s attitude, according to the brand. On the other hand, these types of slogans also create risks of damaging the value and perception of your brand.

French Connection’s whole business is born of a desire to be original, distinctive and accessible. In the brand’s opinion, FCUK might have shocked or amused, it has certainly made you think...

French Connection demonstrates FCUK is bold, witty and intelligent and has given personality to its brand, which the brand states as a rare achievement on today’s crowded high street. Since then FCUK has become interchangeable with French Connection as the brand name and identity (French Connection, n.d.). But the question is: is it really interchangeable and how do people feel about it…?

Nevertheless, about four years ago French Connection decided to no longer make FCUK a priority and focus on a new image and new core customers across all markets they operate in. Summarized, this enhanced a change in the collection with more feminine and classy designs and a focus on their women’s collection trademark ‘embellished dresses’, a rise of celebrity endorsement by means of Angelina Jolie, Kate Middleton and Pippa Middleton wearing French Connection within the context of raising PR activities, openings of boutique stores (throughout the whole of Europe including the Netherlands as being the first country) as part of their ‘boutique concept’ and more new ways of communication, for instance through advertising. But if it is still being used in combination with FCUK, is it not dissonant then?

1.2 Rationale

From the above mentioned and based on personal observations can be derived that over the last fifteen years French Connection seems to have been on the search for a strong identity. As times have changed, the environment has changed and the company has changed resulting in various marketing expressions which have led to the rise of the question: What is the current image of French Connection amongst their target markets and is this in line with how French Connection wants to be perceived? In this thesis the focus will exclusively be on the Netherlands and the Dutch female customer.

1.3 Relevance

Primarily to nurture and sustain a company effectively, but in this case also to optimize sales and thus profit for French Connection in the Netherlands, coherence in image and identity is required. Especially when taking into consideration the amount of existing fashion brands, the rising importance of visibility and the enormous growth of media and advertising expressions. By means of this thesis the brand’s identity, the brand’s desired and actual image and today’s Dutch market and its related trends will be researched. A tailor made advice comprising further options will then help the United Kingdom based brand to improve their position in the Dutch female consumer’s mind within a time frame of 0-5 years.
1.4 Aim

To investigate to what extent French Connection’s repositioning has been successful with regards to the Dutch female customer and to explore the options of further improving the current image to the desired image based on which an advice can be provided for French Connection in relation to the Dutch market.

1.5 Research question & sub questions

Research question: By which means can a brand be managed to gain its desired image after repositioning amongst the Dutch female consumer?

Subquestion 1:
What is the desired, actual and physical identity of the brand?

Subquestion 2:
What is the current image of the brand amongst Dutch female customers and potential customers?

Subquestion 3:
Which factors in the market the brand operates have an effect on its position?

1.6 Hypotheses

The brand’s desired, actual and physical identity are expected to have been strongly coherent each year throughout the whole company history.

- An incoherent image to the brand’s identity is expected to be the result of the changes in marketing strategy.
- An inconsistent image is expected due to the variety in customers and due to how they have experienced various touch points of the brand in different stages at different moments the last ten years.
- The current economic situation will have an impact on the brand yet the brand will not be exposed to extreme obstacles, such as cheaper competitors, due to the brand’s unique and contemporary appearance.
1.7 Research Methodology

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Based on primary research and personal observations, can be derived that over the last fifteen years French Connection seems to have been on the search for a strong identity. Various marketing expressions have led to the rise of the question: What is the current image of French Connection amongst Dutch consumers nowadays and is this in line with how French Connection wants to be perceived in the Netherlands?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aim</td>
<td>To investigate to what extent French Connection’s repositioning has been successful considering the Dutch market and to explore the options of further improving the current image to the desired image based on which an advice can be provided for French Connection.</td>
</tr>
<tr>
<td>Research question</td>
<td>By which means can a brand be managed to gain its desired image after repositioning amongst the Dutch female consumer?</td>
</tr>
</tbody>
</table>

### Sub question 1 – Identity:
What is the desired, actual and physical identity of the brand?

- History & background
- Vision, mission & core values
- Core competences
- Organizational strategy
- Organizational culture
- Organizational structure
- Products & services
- USP’s & UBP’s
- Symbolics & communication
- Environment & behaviour
- Customers

### Sub question 2 – Image:
What is the current image of the brand amongst Dutch female customers and potential customers?

- Brand awareness
- Brand associations
- Value connections
- Needs & expectations
- Purchase motivation
- Customer Journey
- Brand loyalty

### Sub question 3 – Market:
Which factors in the market the brand operates have an effect on its position?

- Competitor analysis
- Trends & developments
  - on macro level

### Research methods:

**Desk research**
- Company information
- Professional literature
- Internet sources
- AMFI/University databases

**Field research**
- Observations
  - (participant+non-participant)
- (N)ethnography
- Blogosphere
- Consumer survey
- In-depth interviews

### Research models:

- Business Canvas Model
- Aaker’s Brand Equity
- Brand Assets Concept model by Franzen & van den Berg
- Culture Dimensions by Geert Hofstede
- Porter’s Five Forces

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Research models:

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- Aaker’s Brand Equity
- Brand Assets Concept model by Franzen & van den Berg
- Culture Dimensions by Geert Hofstede
- Porter’s Five Forces
1.8 Literature research

In order to research French Connection’s identity and image properly, preceding literature research in relation to the following catchwords and definitions provided a clear view of the differences between a brand’s identity and a brand’s image and the enhancement of both subjects. The following terms are defined by marketing guru’s I have chosen to look at for their reputation in the field of ‘marketing’.

**Identity**

**Brand**
- **Definition**
- **Brand identity**
- **Analysis of the brand’s product**

**Brand strategy**
- **Brand name strategy**
- **Brand as concept**
- **Brand positioning**

**Brand experience**
- **Customer experience process ~ brand name**
- **Brand meaning**

**Brand management**
- **Brand policy**
- **Brand reconstruction**

**Brand**

**Brand definition**
‘A brand is in every sign that enables to differentiate the products or services offered by a company.’

**Brand identity**
‘Brand identity comes from the key values of the company.’

**Analysis of the brand’s product**
Brand products can be categorized according to intrinsic attributes and extrinsic attributes, whereby ‘intrinsic attributes’ refer to characteristics which if changed, change the product (e.g. the wheel of a car) and ‘extrinsic attributes’ concern the facilitation for consumers to differentiate products from one another and these are all attributes which do not belong to the intrinsic attributes, such as brand, packaging and price.

**Brand strategy**

**Brand name strategy**
R. Riezebos(2002) pg. 135-137: states that three types of strategies can be operated for a brand name:
- **Monolithical brand name strategy**: This strategy implies the use of one brand name and one visual style in various product categories. An example of this type of strategy is applied to French Connection.
- **Dualithical brand name strategy**: This strategy implies the use of two brand names for the same article, mostly an entreprenurial name and an individual brand name. For instance Audi A6 or Jeep by Daimler Chrysler.
- **Multilithical brand name strategy**: This strategy is characterized by concerns which exploit brands each having an own name (‘branded strategy’). Examples of these kind of organization are Unilever and Procter & Gamble.

**Brand as concept**
According to R. Riezebos (2002) p.27-28: there exists a current movement from a ‘brand a product plus’ to a ‘brand as concept’ approach which means that companies today create ideas (concepts) which need to appeal to a certain customer type. This ‘brand as concept’ approach also implies a shift in marketing from transaction to relationship maintenance.
Brand positioning
R. Riezebos (2002) pg. 136-146: states that ‘the meaning a brand can have for its customers is highly determined by the positioning choices of the ‘brand manager’.’ The positioning needs to be determined according to the relative price of the brand and the dimensions as regards content. After these dimensions have determined the brand’s play field, the value which refer to the brand need to be drawn up.

Brand experience
Customer experience process ~ brand name
R. Riezebos (2002) pg. 31-33, 67: mentions the crucial factor to success for a brand strategy implies the fact that after a consumer has made the choice for a brand’s product this person will every time experience the same in consumption. Riezebos concludes that the influence of a brand name in the consumer judgment process is bigger when the intrinsic attributes of a brand article cannot be judged properly before purchase, a brand article has an expressive function, a lot of promotion is used or when a brand name does not experience competition from other established brand names.

Brand meaning
G. Franzen (1999) pg. 63: summarized: Mental connections between the brand name and images or cognitions in the consumer’s mind, whereby the brand get ’meanings’.

Brand management
Brand policy
J.N. Kapferer (2001) pg. 63: states that ‘brand policy develops over a long period and requires that all means be considered at once, in a fully integrated way’.

Brand reconstruction
G. Franzen (1999) pg. 324 states that the chance of a change in attitude towards a brand when repositioning is the biggest when the source comes across as an expert, the information is clear, the attention of the receiver is grabbed, the information is perceived as appealing by the receiver and when the experience in using the brand is positive.

Image
Image
Definition
van der Grinten (2010) pg. 69: defines the image of an organization as ‘the perception of the brand amongst stakeholders at a specific moment.’ An image generally proceeds from the contact between stakeholders and the organization, e.g. through the consumption of products/services offered, receiving information by the organization, visiting a store or other location or by means of interaction with employees of that organization.

Image research
Structure
Aims
Components

Image
Definition
van der Grinten (2010) pg. 69: defines the image of an organization as ‘the perception of the brand amongst stakeholders at a specific moment.’ An image generally proceeds from the contact between stakeholders and the organization, e.g. through the consumption of products/services offered, receiving information by the organization, visiting a store or other location or by means of interaction with employees of that organization.

Image research
Structure
When an image survey research is performed, often a three-stage design is used. Looking at the balance between the current image (reputation of the organization), the desired identity (identity as desired by the organization) and the perceived identity (identity as it is experienced by the employees).

Aims
An image research can be carried out for different purposes. An organization, for instance, wants to investigate whether a certain action in the market unnoticed fits the brand or causes friction on the contrary, whilst e.g. another organization wants to investigate to what extent a chosen positioning and product is as effectively perceived by the end user as intended after the introduction of a product or service.
Depending on the objectives of an organization, it may be required for an image research to use qualitative methods, quantitative methods or both. Quantitative research particularly generates numerical information about the image, whereas qualitative research provides insights into backgrounds of opinions and thoughts about an organization.

**Components**
The most important stakeholders to be taken into account when performing image research include: customers, investors, the government, general public, pressure groups, suppliers, future employees.

These terms and definitions will function as a vocabulary and will keep me focused when certain subjects are to be discussed.

**1.9 Limitations of research objects and methods**

Derived from the previous paragraph can be concluded that after having carefully invested time in the understanding of which factors to research, with the focus on identity and image, the actual research could be organized.

For this thesis the main focus is on market research which has not been extensively performed by the brand French Connection since the opening of its first boutique store in the Netherlands. Based on the results of the realized market research concerning the brand’s image, underlying conclusions have been drawn for this thesis.

Besides market research, both French Connection’s identity and developments within the Dutch market have been investigated by means of desk- and field research whereby desk research provided me with general information already available and whereby field research within the company’s office complemented these data and served as a check to see if the written information matched with reality.

For the internal analysis of the company the use of desk research is obvious and since French Connection is a stock market listed company very much information was available. To answer the question ‘What is the desired, actual and physical identity of the brand?’ the executed field research on the other hand provided (even) more up-to-date and reliable background information behind the stated, desired identity. Interviews and surveys amongst employees enabled me to test if the desired identity had also been perceived correctly throughout the whole company, in this case the Dutch office (actual identity). The chosen Business Model Canvas lastly functions to provide a good view of the overall business model of French Connection on a strategic level and clearly maps the differences between the head office in the UK in comparison to the Dutch office. In this stage the importance of solely focusing on the company itself resulted in the choice for using the Business Canvas Model because of its simplicity and the fact that it is a new and current model as opposed to a model such as Porter’s Five Forces which also incorporates external factors or Abell’s domain model which is much too static in comparison to the Business Canvas model.

Afterwards, in order to be able to answer the question ‘What is the current image of the brand amongst Dutch female customers and potential customers?’ market research (field research only) has been performed through various methods as explained below.

First of all, quantitative market research with a qualitative approach has been used. For this type of market research, amongst a random sample of the (possible) target group (Dutch female consumers between the age of 18-70 which is aligned with the broad customer base the company states it serves), the brand’s image, meaning and fashion shopping behaviour have been investigated based on ten questions. This form of market research was carried out by conducting online surveys, total n=390 (Steekproefcalculator, n.d.). Out of the approximately 700-800 reached female Dutch consumers 478 surveys were filled out as could be derived from the Thesistools survey account online. Out of these surveys a total of 390 surveys were useful. The survey has been spread
throughout a personal network and beyond, supported by the distribution of flyers, with an online hyperlink to the survey, amongst trains on sections from Dordrecht-Amsterdam and Utrecht-Groningen. The distribution of flyers within trains, throughout both the first class and second class sections, was purely intended to reach as many Dutch women as possible whereby ‘trains’ are considered to be accessible for any type of consumer. The results of this research are considered as highly representative and therefore the derived conclusions are considered of great value.

Besides, qualitative research, with the aim of exploring underlying thoughts and motivations of potential customers in relation to French Connection’s image, has been done through in-depth interviews amongst women aged between 21-67 years, total n=10. The use of a broad and up-to-date collection of logo-, store- and collection imagery have contributed to the collection of information regarding ‘image’ whilst interviewing. To leave all options open and based on French Connection’s mentioned and observed broad target audience (which will also be confirmed in Chapter 3) is chosen for participants within this broad age group. The results of this research are contemplated as representative and therefore the derived conclusions are considered of great value.

For this thesis is chosen to make use of ‘mixed methods’ research for the French Connection image research which implies the combination of both quantitative and qualitative methods. Because Chapter 3 concerns image research whereby emotions, feelings, thoughts and experiences around a brand play an important role, quantitative methods only would not provide insights about those. On the contrary, the use of solely qualitative methods would have excluded statistical data, such as the awareness percentages, expenditure patterns etc. which are of equal importance to French Connection’s positioning in the Dutch market.

Firstly, to investigate what relevant insights around ‘French Connection in the Netherlands’ there are, quantitative research is conducted. Afterwards the qualitative methods have tested the findings of the quantitative research. The quantitative methods have thus created input for the in-depth interviews. On the contrary, research could have also been conducted the other way around (first qualitative, then quantitative) yet because of my unfamiliarity with the segment and positioning of the brand FCUK and French Connection I wished to preserve objectivity.

Lastly, in-store (non-)participant observations together with a short survey amongst paying customers, total n=10, have helped to gain insights in customer’s motivations for shopping at French Connection but due to the very limited amount of respondents and observations of one individual the outcomes of those have been considered as helpful in case those either support or contradict findings of the above mentioned research methods but are not regarded too reliable. Because Aaker’s Brand Equity model gives a good insight into the individual forces that determine brand value, the research findings have been categorized along those. Lastly, to assess whether the brand associations with French Connection are relevant for customers and thus for French Connection’s further positioning, is made use of Franzen & van den Berg’s Brand Assets Concept model.

Last, but certainly not least, to answer the question ‘Which factors in the market the brand operates have an effect on its position’ is answered by once again combining desk- and field research whereby observational research is complemented by published data (facts) in newspapers and on relevant websites and the other way around. In order to be able to explain these developments and draw conclusions for French Connection, those need to be related to the true origin of Dutch culture using Geert Hofstede’s Cultural Dimensions study based on the Netherlands. Finally, because Porter’s Five Forces model is often used for a competitor analysis, helps to define the attractiveness of the market and displays the various components well. This model also perfectly functions as a funnel and completes the research on the three levels identity, image and market.
1.9 Report structure

The report will be structured according to a gap-analysis. A gap-analysis is designed to map differences in a company’s identity and image with the aim of facilitating the right choices for the benefit of strengthening this same company’s image. Since a brand’s image is always formed as a reaction to a brand’s identity, the brand’s identity will form the first research pillar. Gaps are likely to occur on three different levels according to Jaap van der Grinten in his book ‘Mind the Gap Stappenplan identiteit en imago’ (2010: 77-85):

- On the first level gap 1 indicates the possible differences between the desired identity and the actual identity (internal analysis)
- On the second level gap 2 indicates the possible differences between the desired identity and the physical identity (internal analysis)
- On the third level gap 3 indicates the possible differences between the desired identity and the image (external analysis)

The above mentioned scheme, also derived from the book ‘Mind the gap Stappenplan identiteit en imago’, forms the basis according to which this thesis is written. Based on the results of the research, the causes of the identified gaps will be retrieved and linked to the outcomes of the last sub question, concerning the market level. These insights and conclusions form the starting point of choice concerning which gaps to approach and how. The mapping, in the form of recommendations, will result in a company advice in the form of a communication plan which will comprise one of the three options mentioned below:

- to give recommendations on changes in leadership/policies (corporate communication);
- to give recommendations concerning employees’ insights (concern communication);
- to give recommendations related to the touch points of the physical identity (marketing communication)
Chapter 2: What is the desired, actual and physical identity of the brand?

In order to be able to retrieve a possible gap, French Connection’s identity is analyzed on the basis of its desired identity (designed by the corporate management), its actual identity (what employees consider characteristic for the brand) and physical identity (all external touch points of the brand). Also has been taken into consideration to what extent the repositioning has been carried.

2.1 History

The French Connection brand name gained existence in the 1970s as Stephen Marks (current Chief Executive Officer) contracted to sell his designs through the Top Shop retail chain. Joining Marks was a freelance designer, Nicole Farhi, who became his companion and mother of his first child and the company’s chief designer. Farhi not only handled the youth-oriented designs for the French Connection label, she also began to produce designs under her own name for an older, wealthier women’s market.

French Connection soon became the company's retail store brand, as Marks began to open new stores in London and then throughout the United Kingdom. The Nicole Farhi brand was also transformed into its own retail format, yet French Connection remained the company’s flagship brand. (Appendix 6.3)

French Connection is part of and forms the principal brand of the French Connection Group and is stated to account for over 90% of the company’s revenues.

For the other brands part of the French Connection group, please refer to Appendix 6.4.

2.2 Vision, mission & core values

The company itself has not clearly stated a vision, mission and a set of core values. Nevertheless, this paragraph is derived from the context of how the company sees itself and what it pursues.

For the full text about French Connection’s business aims and operations, please refer to Appendix 6.5.

Vision

‘Driven by innovation and change, the brand’s strength lies in balancing new and exciting ideas with consistent delivery of quality and affordability, with design being the bedrock around which the business and operations revolve.’

Mission

‘With a passionate focus on fashion underpinning the business our aim is to generate increased shareholder value through the sale of fashion products and the extension of our brands into other lucrative markets through licensing.’

Core Values

Original, distinctive and accessible.
2.3 Core competences

French Connection operates in a fashion-oriented market place offering a fashion-forward range of quality products at affordable prices. The company aims at customers who appreciate a brand which is at the leading edge of high street fashion and offers quality and style in its products. The brand designs ranges of products for both men and women from underwear to outerwear, casual wear to suits, denim, accessories and children's wear.

The French Connection design teams are based in London and arrange for the products to be manufactured in specialist facilities in Europe and Asia. The Group retails garments through a network of retail stores on high streets and in shopping malls across the UK, Ireland and North America and through concessions within leading department stores such as House of Fraser and John Lewis. French Connection also operates e-commerce sites through which its products are available for home delivery in the UK, Ireland, the rest of Europe and North America. The full range of products is also offered for sale at wholesale through showrooms in London, New York, Paris and Hong Kong to selected customers operating department stores, multi-brand fashion stores or e-commerce sites around the world.

To further extend retail distribution the company granted franchises and licences to quality retailers allowing them to operate French Connection branded retail stores in the UK, Middle East, Asia and Australia. These customers are supplied through wholesale channels in the UK and Hong Kong. These licensees operating stores in Hong Kong and China are 50% joint venture businesses operated by local partners in those territories.

As fashion continues to develop as tastes, trends and reach become increasingly global, creating further opportunities for French Connection’s business to expand within existing markets and the company continuously investigates options to diversify its channels of distribution to cover retail, wholesale, licensing, and e-commerce. In addition the company applies its experience and expertise to nurture and develop fledgling brands.

The French Connection and fcuk brands have been extended into complementary licensed products including men's and women's toiletries and fragrances, shoes, watches, jewellery and eyewear which together generate another profit stream for the Group: licence income. In 2010, the Group granted a licence to a subsidiary of Li & Fung in the US to supply clothing products to the Sears department stores under the brand "UK Style by French Connection”.

2.4 Organizational strategy

Based on the report 'Preliminary Results for the year ended 31 January 2013’ published on the French Connection website in March 2013, the strategy for 2013 is conceived.

Despite an incline in revenues and competitive difficulties in the UK retail market, Chairman and Chief Executive Stephen Marks, seems to be optimistic and through managing the business tightly he hopes to increase full-price sales volumes, limit discounting, manage inventory levels, control cash and build confidence with customers as most important goals for coming year (French Connection, 2013).

This year’s worldwide general programme for French Connection includes (French Connection, 2013):
Store operations
• a re-engineered number of in-store processes facilitating a saving in labour hours;
• a revised approach to labour rostering has been developed and is being applied with an emphasis on ensuring the most effective staff coverage in-store; and
• training programmes have been developed to focus specifically on selling skills along with improved customer service and this is being rolled out across the complete store portfolio.

Customer focused product
• product ranges are now being developed within a revised framework designed to meet the aspirations and value perceptions of the core customers more accurately;
• a new design team, including five new members, has created a winter collection which is meant to be more customer focused and to provide greater value;
• the new collection has been well received by wholesale customers and the new retail team are confident that French Connection is going forward with the right product;
• the pricing architecture of these new ranges is now more focused; and
• a new head of accessory design is assigned to improve and design exciting new products. (In the Netherlands, this is for instance visible in the more exclusive designs of the ordered clutches for the Dutch market.)

Merchandise management
• the company has implemented a total change in its buying patterns to give more flexibility and this has resulted in a 30% reduction in new season inventory levels;
• the reaction speed to bestselling lines has been improved by changing the structure and processes of the relevant departments (for this can be derived from the quick delivery to the Dutch office); and
• French Connection states to have worked hard on the gross margin and promises to change sale periods. By reducing buying its expects to generate a better level of gross margin.

Portfolio management
• due to a very difficult property market, according to French Connection, it has negotiated the disposal of two stores in UK/Europe and three stores in North America. The process of closing one further store and six concessions is in progress and two further stores are likely to be closed during the new year. Moreover, French Connection will continue to search for potential tenants for other targeted under-performing stores; and
• French Connection is in on-going discussions with landlords to vacate other stores or to make realistic agreements on future rents.

Strengthened management team
• all the new senior management appointments have been made including the Head of Design who joined in May, Head of Retail who joined in September, Head of Production and Director of Multi-channel Marketing who both joined in October. There have also been important changes at other levels.

Corporate responsibility
The Board considers that the principal CR issues which face the French Connection Group are:
• the provision of a safe and healthy environment for our employees and retail customers
• the business’s direct and indirect impact on the environment; and
• the employment, environmental and social practices of the business’s suppliers

There are a number of other CR topics, such as business ethics, animal testing and use of chemicals, which are subject to set standards within the business.
A for this thesis performed Brand Report Card and Marketing audit filled out both by the PR Manager and owners of the French Connection agency in the Netherlands, resulted in the following findings concerning perceived strengths and weaknesses of the brand in its brand construction.

2.4.1 Brand Report Card

The outcomes of the Brand Report Card indicate that brand efforts (optimal commitment, marketing activities and consistency) are considered strong. The subsequent organizational embedding (company rights, brand equity, internationality and brand architecture) is also regarded quite strong but somewhat less than the brand efforts. Nevertheless the brand’s content, which includes identity and positioning, is very strong in the opinion of the Dutch employees. On top of that, the market effects of French Connection (establishment, reach, leadership, competitive advantage and vitality) and consumer effects (the extent to which the brand lives up to consumer demand, price level, image, perceived quality and relevance) both gained an exceptionally high percentage. Concerning market effects French Connection does best in ‘reach’, ‘establishment’ and ‘vitality’ whereas for consumer effect French Connection is considered strongest in ‘fulfilling demands’, ‘relevance’ and ‘image’.

2.4.2 Marketing Audit

The Marketing Audit measures to what extent a brand’s marketing strategy is effective. On a scale from: none-poor-reasonable-good-very good-excellent, the Dutch PR manager rated French Connection’s marketing effectiveness as very good whereas one of the Dutch owners rated it as reasonable.

For the complete Brand Report Card and Marketing Audit, please refer to Appendix 6.8 and 6.9.

2.5 Organizational culture

A questionnaire which I conducted amongst all Dutch French Connection employees showed that within the Dutch head office French Connection’s most important values are considered to be quality, originality, femininity and contemporary. If the brand were a person, she would be described as original, fashionable, cheerful, outspoken, relaxed and dynamic. French Connection’s core competences are mentioned to include the offer of a broad assortment balancing the combination of design/quality/affordability, attention grabbing marketing campaigns and a strong organization with a quick response to all stakeholders. Employees describe the corporate design as clean, simple, stylish and with an international appearance yet the store is more described as homely. In general, the specific codes of behaviour can be described as casual but professional and there is not a specific working language. Within the Netherlands French Connection pays quite some attention to the tradition of Christmas and New Year’s Eve, also due to the specific Christmas collection, little to other holidays but more to occasional events such as the Olympic Games. (Appendix 6.6)

Unfortunately employees of the head office in London could not support filling out this survey.
2.6 Organizational structure

The above shown chart applies to the head office in the United Kingdom and the chart below represents the organizational structure of the head office (the agency) in the Netherlands.

2.7 Products & services

Within the French Connection product range there are four main collections:

French Connection which is the core product and featured in men’s, women’s and children’s collections, offering clean, sophisticated and individual ‘statement pieces’

French Connection Formal offers a more refined and tailored collection of shirts, suits, knits and accessories.

FCUK is the irreverent side of French Connection and tends to include edgier and more casual wear accompanied with authentic denims, also called FC Jeans.

FC72 is the newest to the range as it features authentic vintage sportswear with a relaxed, collegiate feel to it.
Besides these collections, French Connection also offers a home ware collection which offers all sorts of products from bedding to storage options.

Next to clothing and home ware collections, French Connection’s assortment also includes men’s and women’s toiletries and fragrances, shoes, jewellery, watches and eyewear of which none of these are sold within the Netherlands.

Within the Netherlands the focus lies on the sales of the women’s clothing collection (including accessories; hats, belts, clutches etc.) as this is the most profitable category for French Connection the last five years (Fashion United, 2009).

French Connection produces six men’s and women’s collections per year that fall into the following time table.

<table>
<thead>
<tr>
<th>Collection</th>
<th>Buy Date</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring Summer</td>
<td>July/Aug/Sept</td>
<td>Dec-Apr</td>
</tr>
<tr>
<td>Main season's collection made up of 4 'Hits' Transitional/Spring 1, 2 &amp; Summer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Summer</td>
<td>Oct</td>
<td>Apr/May</td>
</tr>
<tr>
<td>Small collection of lightweight/holiday clothes with a 'hot' colour palette</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer 'Fast Pack'</td>
<td>Jan</td>
<td>Feb/Mar</td>
</tr>
<tr>
<td>'Flash' collection of 'key' Summer looks, sold close to season</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autumn Winter</td>
<td>Jan/Feb/Mar</td>
<td>Jun-Oct</td>
</tr>
<tr>
<td>Main season's collection made up of 4 'Hits': Transitional/Autumn 1, 2 &amp; Winter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christmas/Holiday</td>
<td>May</td>
<td>Oct/Nov</td>
</tr>
<tr>
<td>Small collection of party-wear</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winter 'Fast Pack'</td>
<td>July</td>
<td>Aug</td>
</tr>
<tr>
<td>'Flash' collection of 'key' Winter looks, sold close to season</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In ladies wear, French Connections produces clothes in English sizes from 6 to 14.

**Ladies international dress sizes**

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>6</th>
<th>8</th>
<th>10</th>
<th>12</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>32</td>
<td>34</td>
<td>36</td>
<td>38</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>34</td>
<td>36</td>
<td>38</td>
<td>40</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>38</td>
<td>40</td>
<td>42</td>
<td>44</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

For ladies wear the wholesale and retail selling prices vary from €30 for a T-shirt to €400 for a sequin dress.

The French Connection products have, despite the company’s goals, not always been perceived as original and unique as can be concluded from a study by Conor Caroll and others. Due to the diversity of the product range the French Connection products can also lose their innovativeness and also, the greater the brand exposure for all of these sub brands, leads to greater brand associations with the physical stores, driving footfall to these stores (Caroll et al, 2004).

From the company’s perspective has been said in relation to the products: “An issue we have found with market research by the Nunwood agency was that people were coming to us twice every six-month season to buy occasional wear if they had a wedding, a birthday, a Christmas or summer party. We have been trying to build a relationship with those people to drive them into the stores more often. And another problem is that most consumers would feed back that prices should be cheaper, and that is not necessarily the answer to growing your brand” (Nunwood, n.d.).

### 2.8 USP’s & UBP’s

According to the company, French Connection has always operated on a product level with as primary goal to generate highest sales as possible. Therefore, the company’s Unique Selling Point (USP’s) can be described as providing high quality, design led and contemporary products for affordable prices driven by change and innovation. Fit is the key and styling is influenced by current trends but never dictated to.

Specifically the company’s trademark product has changed over the years; from a t-shirt with a FCUK slogan on front in 2003, now ten years later this is a sequin dress. These sequin dresses, also indicated as ‘embellished dresses’, have come to play a main role in every designed collection. Besides the products, French Connection also strongly differentiates itself through its ever seasonally changing themes in all forms of communication. French Connection’s Unique Benefit Points (UBP’s) can be described as communicating a message which provides the customer with the feeling of wearing unique, slightly quirky, yet fashionable designs through the actual clothing and a feeling of intelligence and having a sense of humour through the brand’s communicative expressions towards the customer.

### 2.9 Symbolics & communication

To differentiate itself from the crowd French Connection strongly attaches value to more creative means of advertising and the use of media. The company believes powerful brand building advertising enhances both strong conventional media, such as fashion magazines, radio stations and billboards, and innovative unconventional media such as moving projections, outdoor billboards with gaffer tape and the use of light motion banners.
Although French Connection continues to evolve and integrate new products, it wants to stay true to its essence and as such the company keeps a set of brand guidelines which entail its graphic design approach; logos, window visuals, signage, advertising, packaging and all other aspects of brand communications. The graphics used for all these forms of communicating is sleek, clean and mostly black and white and youthful models play part in portraying the garments in look books, campaigns and other imagery.

The past five to ten years French Connection has been playing around using different marketing – and advertising campaigns throughout the seasons. In the late nineties, the firm experienced a strong growth and gained worldwide coverage thanks to the use of a controversial four-letter acronym used as its logo: FCUK, meaning French Connection United Kingdom. The first FCUK campaign was launched in spring/summer 1997 with a ‘fcuk fashion’ strap line and many products carried the manipulated ‘swear word’. The first and following FCUK campaigns gave the brand great exposure causing debate and thus attention in the press. The company is convinced that its pushing boundaries and making statements keeps the brand exciting and through these the brand wants to talk to opinion formers with real fashion authority.

As the focus is on the most recent developments please refer to Appendix 6.7 for an overview of the developments in branding between the years 1997 and 2011.

Throughout the years, French Connection has done many attempts to head towards different directions in terms of communication and focus up until today. An online article on ‘How French Connection reversed its fortunes with new ad styles’ in 2011 (Fernandez, n.d.), shows optimism about French Connection’s new directions in advertising. The brand’s agency 101 was hired as creative consultant and French Connection is convinced the agency re-injected modernism into the brand as derived from a rise in sales. The campaigns’ theme for that season was ‘hero garments’ as opposed to the youthful fck-branding which has had its time. Summarized, the article states that through strong ad campaigns by the Fallon agency previously and
now the 101 agency, together with strong television spots and celebrity backing French Connection is back on track with successfully creating a new look and feel.

Also in 2011, an article on French Connections’ new adverts in English newspaper the Guardian elaborates on the brand’s new communicative directions. The writer starts off with the confusion the ads cause due to questions as ‘Are you woman’ which are featured in the adverts but that, in a positive way, it is miles away from FCUK. "What French Connection did with FCUK got people talking, but now they are trying to get people thinking," says Stuart Wood from the for this campaign hired design agency Fitch. He is also convinced that even if the clothes are quite similar to what the brand’s competitors offer, but what French Connection has always had is an attitude. In order to enable customers to reassess the brand, French Connection had to do something radically different, he states. In the same article, Lorna Hall of trend forecaster WGSN says the conversational tone of the French Connection ads is very in vogue and is similar to that being used by brands such as Diesel. "Don't ask me what they mean," she says. "It's playful and unexpected, but people respond to that kind of communication."(Wood, 2011)

An article written by the Independent newspaper in 2012, “FCUK: The logo that became a no no’, reports as many others that FCUK has been a ‘nineties thing’ yet according to Victoria Gallagher, a reporter for the English retail trade magazines Drapers, finds that recent campaigns, such as the ‘I am..’ and ‘The Collection is...’ have not gained momentum. This is then related to the decline of sales and the cutting of stores which French Connection is facing during 2012. As an answer to this, French Connection is convinced that it has been a tough winter due to the outside temperatures which had not been very low and that the closing of stores was due to the bad locations where these were situated.

In addition, another article in 2012, posted on the website of Marketing Week UK (Barnett, 2012), on the contrary, describes how many brands lose their edge but how others, amongst which French Connection, regained its edge, after the exploitation of FCUK, through refocusing on design, positioning and marketing to appeal to a modern customer.

As can be concluded from the above and is stated by the company is that it remains French Connection’s aim to continue to let the advertising be innovative and creative; however the focus has shifted onto the clothes themselves, to enable the brand to create a distinctive look which is uniquely French Connection. Going forward French Connection wants to present itself as a credible and focused fashion brand that speaks through its product.

Besides this, French Connection is convinced that in the non-stop world of fashion it takes dynamism and intuition to keep moving and through constantly developing the product, the market and its future vision the brand will keep on growing. The same vision is shared by Mrs. Katie Jordan, International Sales Director, as she states in an interview with her: ‘Over the 41 years that French Connection has existed, the market place for fashion has changed dramatically and we as a brand have adapted our designs and output to suit the changing moods. In the 1990’s high street fashion was very casual and slogan driven. French Connection reacted to this by creating FCUK. This logo was used in advertising and emblazoned on product. It was and remains one of the most recognizable brand logos of its time. Towards the mid 2000’s, high street fashion started to become more diverse with the introduction of more global brands offering cheap, fast fashion. French Connection responded to this with its 2006 Fashion v.s. Style advertising campaign – which saw the return of the French Connection logo as opposed to the abbreviated FCUK. The campaign focused on interpretations of personal style through fashion and aimed to distinguish French Connection as brand that offers independent and original designs.’

This year, in 2013, French Connection has decided to split from its agency 101 with which it has worked for 2,5 years due to new directions of ideas. Yet the agency has still created a forthcoming campaign, called "make a scene", to coincide with the new French Connection spring/summer 2013 collection. By means of this, the brand wants to encourage customers around the world to ‘Make A
Scene’; whereby individuals are able to become a movie director and create a short film utilising key scenes from the upcoming SS13 campaign advertisement as part of a competition running from the beginning of March until the end of April.

An important note to the above is that all communication is designed and executed by the head office and its partners in London. The head office in the Netherlands occasionally receives news releases and/or flyers, concerning the ‘Make a Scene’-competition for instance, and is assigned to pick up on those. Although there seems to be a well-structured communications cascade between the headquarters and the Dutch agency, these marketing campaigns do not seem to be accorded its full weight with regards to the Dutch market. For the Dutch market, the most commonly used marketing tool is PR; mostly used in the form of sample lend out to fashion magazine editors and stylists and the distribution of news releases/press packs/look books.

2.9.1 Stores

Moving to the subject of stores, all French Connection stores across the world are above all relevant to its local surroundings yet designed to be a true extension of the brand, therefore all elements are meant to form part of a French Connection experience. The French Connection experience involves a clean, minimalistic signature and the product is meant to take center stage. Also in the stores advertising forms an important part of the store interior through large graphics behind fixtures.

The French Connection store windows form the most crucial element of the branding of the products. The brand claims the store windows are impossible to ignore as these communicate drama and draw traffic from the street. Every seasonal theme displayed, coherent to the collection and advertising, is implemented globally to give off a consistent brand message. Past windows campaigns, of which some of these have won awards, included for instance a fully functioning radio station, models surfing or camper vans. Nevertheless, the key element to communicating a clear image and to generating sales is the visual merchandising where the main focus is on the presentation of the product as confident and stylish as possible. Additionally, the brand clearly states the importance of easy shopping. Internationally, also for the visual merchandising guidelines are created for all stores and many different kinds of POS (Point of Sale)-material (displays, posters etc.) are available to those.

2.9.2 Celebrity endorsement

As mentioned in the introduction and based on the brand’s blog offthecord.frenchconnection.com, celebrities, such as Kate Middleton, Pippa Middleton, Angelina Jolie and bloggers play an important role for the brand in the UK whereas in the Netherlands celebrities or bloggers and their influence are taken into account to a minimal extent, but in the near future this could be subject to change.
2.10 Environment & behaviour

As part of the brand’s ‘re-set’ starting in 2006, French Connection decided to aim for more customer experience within their retail stores. 'Through leading a worldwide business it knew which products were selling yet when it came to a real in-store experience it felt slightly disconnected'(Nunwood, n.d.). As a result, French Connection launched the ‘Boutique Concept’. The boutique store concept includes women’s wear only, through mostly selling the company’s trademark: the embellished dresses, in a boutique-atmosphere. The first store to be opened according to this concept was in Amsterdam, the Netherlands. Soon more stores followed yet they have never meant to replace the existing stores, therefore one will find both types of stores in for instance, London.

The only French Connection store in the Netherlands, underneath the Dutch office, is located in the south of Amsterdam, more specifically in the Cornelis Schuytstraat, as part of a new direction French Connection wanted to take in 2009 when this store was opened. Three years before, French Connection underwent a big change in becoming more sophisticated and innovative with a focus on women’s wear and slightly dissociated from the FCUK and its denim collections. Within this store the somewhat more exclusive women’s collection is sold with dresses with a price around €350 and therefore the boutique’s style, appearance and price level perfectly suits the area with the wealthiest inhabitants of Amsterdam. Notwithstanding it, the store does not give off a distant luxurious impression as the store personnel are very open and approachable to any visitor. The laidback atmosphere, interior and spontaneous staff reflects French Connection’s youthful style and accessibility. In addition, purchases are being wrapped and packed as gifts yet French Connection’s return policy and adjustment possibilities reflect strong willingness to its extent. The Dutch owners’ company car, a matte black Fiat 500 with the French Connection logo on the sides, represents French Connection on the roads to clients.

For an impression of French Connection’s head office and stores in the United Kingdom, please refer to Appendix 6.11.
2.11 Customers

The French Connection website mentions the following:

‘The French Connection customers are seen as to be individuals, not defined by age, (but broadly speaking would fall into the 18-35 age bracket) but by their outlook on life and their love of fashion. They project confidence and style and enjoy the irreverent twist of French Connection’s designs and communications.’

In an interview in 2011 with Director of Marketing & PR Will Woodhams, he states: ‘We could say 25 to 35 is our core customer base, but we also fill the 30 to 45 category. For French Connection, it is important that we keep a young feel. Those consumers are out there but it is about persuading them to buy into a more expensive product. Also, research by consumer insight & experience management agency Nunwood showed that we have a really broad customer base’ (Nunwood, n.d.)

For an overall view of the current situation of French Connection’s business model, the Business Model Canvas has been used and is explained and applied to French Connection in Appendix 6.13.

2.12 Conclusions

Desired identity

A clear view has been designed by the French Connection managers on how they perceive their business and what it wants to achieve derived from the coherence in vision, mission, core values and core competences. The brand is convinced FCUK has become interchangeable with French Connection, but both ‘brands’ have a clearly different character of which the desired identity stated nowadays matches best with ‘French Connection’. First of all French Connection’s brand values are original, distinctive and accessible although this could still apply to both expressions. Moreover, the company aims at customers who appreciate a brand which is at the leading edge of high street fashion and offers quality and style in its products. These customers who are seen as to be confident and stylish individuals who would enjoy the brand’s irreverent twist in design and communication. Also, the brand focuses on balancing new and exciting ideas, consistent delivery of quality and affordability and design accompanied with the aim to successfully match product, image and context. Despite the current world of ‘fast fashion’ French Connection remains committed to quality, design and the creative process and recognizes the need to differentiate.

Although the above mentioned statements might not automatically no longer apply to FCUK, the conclusions concerning the brand’s physical identity will support the fact that the current identity matches more with ‘French Connection’.

Actual identity

Although the actual identity is measured amongst employees within the Dutch office of French Connection, it is strongly visible that the brand’s identity, positioning, market effects and consumer effects are considered to be clear as well for the Dutch agency and stakeholders. Interesting is that especially for ‘consumer effects’ French Connection is considered to be strongest in ‘fulfilling demands’, ‘relevance’ and ‘image’. All of the above is derived from the for this thesis filled out Marketing Audit and Brand Report Card by Dutch employees. With regards to the culture within the organization, the most important values and core competences mentioned by employees are also similar to those designed by French Connection’s directing managers but nevertheless, the French Connection employees within the Netherlands are much more familiar with ‘French Connection’ (and ‘French Connection’-minded) rather than ‘FCUK’ mostly due to the ‘Boutique Store’ concept within the Netherlands.
Physical identity
As the physical identity proceeds from the desired and actual identity, one could predict this is coherent, yet over years some changes have occurred within the physical identity. The physical identity also indicates the directions towards ‘French Connection’. French Connection strives to offer products which can be described as of high quality, design led and contemporary for affordable prices, whereby fit is the key and styling is influenced by current trends. The brand’s core collection is ‘French Connection’ which is stated to offer clean, sophisticated and individual statement pieces. And although the FCUK product line remains the irreverent side of French Connection by offering more casual and edgier wear with denims, this collection is now sometimes referred to as ‘FC Jeans’. Also, over the years, the company’s trademark product has changed from a t-shirt with a FCUK slogan on front to sequin dresses which have come to play a main role in every designed collection. Additionally a new head of accessory design is assigned to improve and design exciting new products and from the offer can be concluded these have a very sophisticated and classy look and feel.

In terms of marketing in general, French Connection aims to communicate a message which provides the customer with the feeling of wearing unique, slightly quirky, yet fashionable designs and with a feeling of intelligence and having a sense of humour. In addition, French Connection strongly attaches value to more creative means of advertising and the use of (un)conventional media in combination with celebrity endorsement.

Throughout the years, French Connection has done many attempts to head towards different directions in terms of communication up until today. The focus shifted onto the clothes themselves and in the direction of ‘French Connection’. The graph below shows the changes in communication over time.

The same changes in time apply to the stores because also within the stores advertising forms an important part of the store’s interior. Next to this, store windows form the most crucial element of the branding of the products. The French Connection experience involves a clean, minimalistic signature and the product is meant to take center stage. The boutique store concept launched in the Netherlands includes women’s wear only, through mostly selling the company’s trademark (embellished dresses) in a boutique-atmosphere, which is designed to match ‘French Connection’ and in line with new directions, still accessible and approachable to any visitor.

Eventually can be concluded that although much attention is being paid to marketing in the United Kingdom, within the Netherlands not all of the options in marketing tools accorded their full weight.
Chapter 3: What is the current image of the brand amongst Dutch female customers and potential customers?

This chapter includes the most relevant outcomes of extensive quantitative and qualitative research methods (‘mixed methods’) used for this thesis. In order to gain a good view of the current image of French Connection the outcomes are illustrated according to different categories derived from the components of Aaker’s Brand Equity model which measures brand value (Appendix 6.14.4). All external field research is conducted with the aim to investigate French Connection’s current position in Dutch female consumers’ minds and to form a valuable basis for answering the central question. Ideally, market research would be conducted after a repositioning and opening of a first store in the Netherlands but as this has not been done extensively, research on the brand image of French Connection is now conducted amongst consumers. The quantitative research method used is a consumer survey is complemented by insights from a qualitative research method; in-depth interviews. Additionally, (non)-participant observations and a small survey conducted within the store in Amsterdam builds this part of the report. Based on the research results can be concluded how French Connection responds to appropriate and relevant insights, interests and needs of the target group within the Netherlands.

On this basis, an approximation can be given related to the question of what the current image of the brand is amongst Dutch female customers and potential customers within the Netherlands and to what extent this is in line with the brand identity.

For a complete overview of the preceding research methods, the outcomes and results summarized and visualization in graphs, please refer to Appendix 6.14.

3.1 Brand Awareness

Only 17% of survey respondents spontaneously mentioned French Connection and 64% knew French Connection when stimulated through multiple choice. The underlying reasons mentioned for the unfamiliarity with the brand French Connection mostly include the absence of stores in cities and missing media placements (e.g. advertisements in magazines). The other most mentioned brands include cheaper fashion chains, such as River Island, Topshop, Asos and Primark which can be seen as French Connection’s biggest competitors according to the consumer. The outcomes of the question concerning stimulated brand awareness then confirm this statement.
Almost half the number of the respondents was familiar with FCUK and around 60% was familiar with French Connection which means French Connection is much more known and worth more investing in. For the further positioning was investigated how many people knew FCUK and French Connection as the same brand and 75% did not know this which indicates French Connection is mostly seen as a brand on its own.

3.2 Brand Associations

With regards to brand associations, it has both been investigated what consumers associate with FCUK (former brand expression) and with French Connection. The table below provides an overview of the biggest differences in associations with both brand expressions.

<table>
<thead>
<tr>
<th></th>
<th>FCUK</th>
<th>French Connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sexual</td>
<td>+++</td>
<td>-</td>
</tr>
<tr>
<td>Weirdness</td>
<td>++</td>
<td>-</td>
</tr>
<tr>
<td>Fashion (products)</td>
<td>++</td>
<td>+</td>
</tr>
<tr>
<td>Elegance</td>
<td>-</td>
<td>+++</td>
</tr>
<tr>
<td>Feminity</td>
<td>-</td>
<td>++</td>
</tr>
<tr>
<td>Appealing</td>
<td>-</td>
<td>++</td>
</tr>
<tr>
<td>Tacky</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Playful</td>
<td>-</td>
<td>+</td>
</tr>
</tbody>
</table>

Furthermore, if FCUK was to be a person, this person would mostly be described as ‘quirky’, ‘rebellious’, ‘tacky’ and ‘sexy’. French Connection would mostly be described as ‘elegant’, ‘feminine’, ‘lively’ and ‘contemporary’ if it was a person. These contrasts in associations, in combination with only 1% of respondents who linked FCUK and French Connection immediately, also indicate FCUK and French Connection are not or no longer connected and therefore not to be seen as one brand.

Potential customers (the interviewees) often mentioned the brand to be most suitable for working women between the age of 25-45. This is visible in the current type of customers in the store in Amsterdam who can be described as women with a preference for middle to high segment brands and can afford these because of their jobs. In addition, mostly buying consumers according to the survey also belong to the age group 18-45. This age group is also more likely to be a French Connection customer rather than a FCUK customer. Supporting this statement, French Connection is often spontaneously mentioned as being a middle segment brand due to an exclusive character, unique designs, few points of sale, well-made and good quality styles and styling. This does not match FCUK. However, potential customers expect the items offered to be too expensive and
exclusive for them which is not in line with French Connection’s overall value of accessibility. Moreover, another finding includes that the store’s appearance would not match with the brand’s logo as the logo is mostly described as sleek, clean, modern, stylish and sometimes meaningless whereas the store gives off a cozy, homely yet organized feeling. Due to the brand’s international presence and related product lines the logo cannot be subject to change. ‘Exclusive’ is the only association which is sometimes referred to both the logo and the store which again shows a contrast with one of the brand’s key values: ‘accessible’.

Nonetheless, all of the potential customers were surprisingly positive about the French Connection boutique store, styles and designs and remarkably, after having seen store- and look book images, all potential customers noticed French Connection’s product category ‘dresses’ which indicates the brand’s trademark is received well by potential customers.

To determine the relevance of all brand associations for consumers the Brand Assets Concept Model by G. Franzen & M. van den Berg is used. For the elaboration on this model please refer to Appendix 6.15.4.

3.3 Shopping behavior

3.3.1 Needs & Expectations

According to the participants, middle segment fashion brands are being characterized by good quality garments (use of colours and materials), more timeless, less fashionable yet still fashionable and unique designs, higher prices yet still accessible, organized and neat stores, creative shopping windows and ‘annoying personnel’ and branded clothing is characterized by good quality and unique designs. At the same time ‘style’ does not need to cost much in their opinion which indicates they could see other options to dress themselves in style which is a point of attention in relation to French Connection’s differentiation. From the consumer survey can be derived that ‘Fit’, ‘quality’ and ‘price’ are the most important criteria for fashion shopping. Hereby scores French Connection high on ‘quality’, low on ‘price’ and average on ‘fit’. ‘Price’ can therefore have supported the exclusive perception consumers have of the brand.

From the interviews can be derived that for these participants the most important characteristics for fashion items include price, comfort, variety, good quality fabrics, good quality use of colours (prints), a certain sense of fashion (especially for the younger participants) and a brand’s designs needs to add to a personal style which again creates chances for French Connection in differentiation.

Most people spend between €50-100 euros a month on clothing, followed by the group spending €100-150 a month which gives an indication of the budget consumers are willing to spend on fashion. Although prices cannot be lowered, the opportunity is in persuading these customers into buying something slightly more expensive but truly unique. Also, a given fact is that many young people have filled out the question concerning budget, which indicates the importance of uniqueness and a perhaps a slightly(!) older target group budget-wise.

3.3.2 Purchase Motivations

The most important reasons for buying clothing in general, include the importance of a well-groomed appearance, a variety of choice in the respondent’s wardrobe and the creation of a personal style which is considered to be important offering French Connection options to respond to this. Within the French Connection store, in many cases, consumers are on the search for dresses for weddings and parties as they seem convinced French Connection offers those which again proves the importance of the product category (and trademark) dresses, also amongst customers. In addition,
the current customer type, ‘the working woman’, often visits the store with the aim to buy both casual- and office wear (more formal), which forms an interesting group for further focus.

3.4 Customer Journey

Most memorable factors of buying customers’ experiences include the ‘quality’ and ‘design’ of the garments, together with both the ‘retail service’ of the store in Amsterdam and of stores abroad. These three factors indicate French Connection’s strengths amongst their Dutch customers and are in line with the company’s aims.

3.5 Brand Loyalty

From limited research can be concluded that there is a high probability that French Connection’s boutique store customers in Amsterdam would recommend the brand to others. The survey on the contrary showed that respondents who have bought French Connection items often bought multiple items and have rated ‘quality’ and ‘design’ high which are factors for brand loyalty but does not confirm brand loyalty.

3.6 Conclusions

First of all, from the consumer research can be concluded that French Connection would benefit from a little more brand awareness amongst the Netherlands. The given fact that not all marketing tools available to French Connection are accorded their full weight within the Netherlands, explain this and clarifies the missing media placements mentioned by consumers. Moreover, as French Connection acknowledged the importance to differentiate from cheaper fashion chains since their rise in 2005 still today the importance of doing so is also visible in who are French Connection’s competitors according to Dutch consumers. Because ‘French Connection’ is much more known than FCUK and because of the limited awareness of French Connection and FCUK as one brand it means French Connection is seen as a brand on its own and facilitates the further positioning of the brand as ‘French Connection’, also because Dutch French Connection employees are also already fully embracing ‘French Connection’. In addition, the most important associations with ‘French Connection’ are very much in line with the company’s aims in relation to how it wants to be perceived. The contrasts in associations with FCUK and French Connection also indicate FCUK and French Connection are not or no longer connected and therefore not to be seen as one brand. The associations with slightly older ‘working women’ to be the most suitable target group, together with the data about the existing buying customer indicate a more specific group to focus on. This group, roughly belonging to the 25-45 age category, is also willing to spend a little more which offers French Connection the opportunity to differentiate itself from the cheaper fashion chains by offering unique designs which are still affordable and accessible. This is in line with, what has been stated before in the conclusions of Chapter 2, French Connection’s commitment to quality, design and the creative process despite the world of fast fashion. At the same time, French Connection’s brand values of being ‘original’, ‘distinctive’ and ‘accessible’ can gain more presence when strongly expressing this differentiation as these values are not perceived well by Dutch consumers. This also to attract potential customers which may or may not be the typical working woman. (Based on the by the company stated broad customer-base, it would not be wise to exclude customers outside the core customer category.) The brand is perceived as a middle segment brand, which it is if comparing French Connection’s identity and the characteristics for a middle segment brand mentioned by participants, but the exclusive character needs to be taken away. On the positive side, French Connection’s strengths, as a middle segment brand, according to participants include unique designs,
well-made and good quality styles and styling. Together with the most memorable factors of shopping experiences by existing customers; quality, design and retail service. These form elements to cherish. These same elements are equal to the company’s aims, such as the brand’s focus on balancing new and exciting ideas and the consistent delivery of quality and design. Also, the company’s aim to appeal to a customer 1. who appreciates a brand which is at the leading edge of high street fashion and offers quality and style in its products and 2. who is a confident and stylish individual, matches with the characteristics and wishes of existing and potential customers participated in this research.
If also looking at what the company states to be its trademark, the embellished dresses, both customers and potential customers either acknowledge the search for those or the existence of them which is a positive development. FCUK T-shirts or other products have never been mentioned which indicates the change in trademark over the years has not been noticed, meaning that casual side of French Connection is not present in the minds of Dutch consumers.
After balancing all the outcomes of the image research together with the brand’s stated identity, options for the further improvement of French Connection’s positioning amongst the Dutch female consumer seem to include:
- A further focus on the positioning of ‘French Connection’ and all touch points of the brand ‘breathing’ ‘French Connection’ which will additionally contribute to a greater brand awareness overall. FCUK will no longer be used in any form of communication.
- A remaining focus on differentiation from ‘fast fashion’ competitors by means of unique designs (with the dresses as trademark), good quality and creative, stylish yet slightly humorous means of marketing.
- A focus on the dissemination of the core values ‘original’, ‘distinctive’ and ‘accessible’. Because of the importance of differentiation, the expression of the values ‘original’ and ‘distinctive’ need to get more attention and because of French Connection’s exclusive character as mentioned in some ways, the brand needs to show how ‘accessible’ it is and thus approachable.
Lastly, the graph below shows how the consumer research contributes to the further positioning of French Connection.
Chapter 4: Which factors in the market the brand operates have an effect on its position?

In order to analyze a brand’s positioning it is of essential purpose to analyze the environment in which the brand is established to gain a good view on which factors may or may not have an impact. Firstly, French Connection’s main competitors have been researched clarifying their strengths and weaknesses in order to be able to determine French Connection’s current market position, resulting in a SWOT analysis. Through the use of the Porter’s Five Forces model the power of competitors and other external factors is summarized. Secondly, current trends and developments within the Dutch market relevant for French Connection have been illustrated with an additional focus on the retail segment.

4.1 Competitor Analysis

The for this thesis collected information through website research and in-store observations of French Connection’s four main competitors form the basis of the competitor analysis within the Dutch market. The brands Karen Millen and Ted Baker are, equal to French Connection, from English origin. The other two competitors are from Dutch origin and have been chosen as a consequence of the Dutch market being the market in question. Additionally, general competitor (fast) fashion chains play a role and cannot be excluded. The competitor analysis flows over in Porter’s Five Forces model which bundles all external factors influencing competition for French Connection.

4.1.1 Karen Millen

In 1981 Karen Millen has been set up as a British designer-oriented brand which collections are described by the brand as: luxurious, trendy and effortlessly glamorous. Karen Millen positions itself between top end fashion brands as an ‘affordable luxury’ brand. The company’s aim is to have Karen Millen’s collections represent the wardrobe and lifestyle of a fashion conscious woman. Karen Millen is available in 300 stores across 40 countries, including Europe, the U.S. and China. Within the Netherlands there exist eleven points of sale for Karen Millen including a web shop.

Products
Karen Millen products can best be described as feminine and glamorous towards sexy with a focus on occasional wear and office wear.

Product assortment
- Clothing (knitwear, jackets/coats, dresses, t-shirts, tops, jeans, blouses, skirts, pants, office wear and limited edition wear)
- Accessories (bags, wallets, belts, sunglasses, jewelry, watches, gifts)
- Shoes

Price
The price level of all product categories is notably higher compared to French Connection.

Store
Please refer to Appendix 6.16 for pictures of the Karen Millen store.
Store location
The store is located in one of the main shopping streets of Amsterdam.

Spontaneous brand awareness
Out of the 400 survey respondents 6.5% spontaneously mentioned Karen Millen as English brand. (Appendix 6.14.2)

4.1.2 Ted Baker

In 1988 Ted Baker was initially launched as a shirt specialist yet today Ted Baker offers a wide range of collections including: men’s wear, women’s wear, accessories, fragrances, skin wear, footwear, eyewear and watches. Ted Baker has a portfolio of stores in the UK and the USA and is also present in leading department stores. Since 2006 Ted Baker is also available in stores in Hong Kong, Singapore and Dubai and continued to expand in 2007 with the opening of a further store in Hong Kong, Singapore, Bangkok, three in Kuala Lumpur and two each in Dubai and Jakarta plus two locations in Taiwan and Bangkok. It is unknown whether Ted Baker has more points of sale outside the Bijenkorf department stores and their online web shop.

Products
Ted Baker products can best be described as extremely feminine in bright (fluorescent) and decorative colours.

Product assortment (for women)
Clothing (tops, cardigans, pullovers, dresses, blazers, pants, skirts)
Accessories (bags, scarfs, belts, hats)

Price
The price level of all product categories is higher compared to French Connection.

Store
Please refer to Appendix 6.16 for pictures of the Ted Baker shop-in-shop.

Store location
Ted Baker has a shop-in-shop in the Bijenkorf department store in the center of Amsterdam.

Recent news
- Ted Baker has strongly benefited from the winter and Christmas period concerning sales (in contrast to French Connection) (Fashion United, 2013).
- Ted Baker has won a Visual Merchandising award for their stores during the sales of the S/S 12 collection (Appendix 6.16)

Spontaneous brand awareness
Out of the 400 survey respondents 2.25% spontaneously mentioned Ted Baker as English brand. (Appendix 6.14.2)
4.1.3 Aaiko

In 2005 Dutch designer Pauline Brakenhoff launched Aaiko as for her a combination of ‘creativity’ and ‘commercialization’. The brand describes its designs as innovative, accessible and inspired by travelling. Aaiko’s main goal is to approach its customers, the ‘Aaiko woman’, and find out their wishes and necessities. Products are produced in Europe as part of a policy to support the European economy, to support the environment and to reduce logistic costs.

Products
Aaiko products can best be described as casual, feminine, with soft colour tones and a bohemian twist to it.

Product assortment
- Clothing (tops, cardigans, pullovers, tunics, dresses, blazers, pants, shorts, skirts, jumpsuits)
- Accessories

Price
The price level of all product categories is lower compared to French Connection.

Store
Aaiko is not represented by own stores. Please refer to Appendix 6.16 for an impression of the boutique stores selling Aaiko.

Store location
Aaiko is being sold in several boutique stores distributed over Amsterdam.

Recent news
- Pauline Brakenhoff (owner & head of design of Aaiko) is nominated for the award for most influential, inspiring and surprising fashion entrepreneur (March 2013).

4.1.4 Supertrash

SuperTrash was brought to Europe by Dutch fashion entrepreneur Olcay Gulsen and currently has a retail network of over 2,000 high-end boutiques and department stores and 12 brand stores in 24 countries. Within the Netherlands Supertrash operates ten brand stores, is being sold within all Bijenkorf department stores and selected multi brand stores of which the number is unknown. Most recently the brand has launched a girls collection, a perfume and a lingerie line. SuperTrash regularly publishes a brand magazine, has opened several brand stores and has launched shop-in-shops in diverse fashion capitals across the world. The brand describes its strengths to lie in the way it combines high quality products with competitive pricing for independent women with a luxurious sense of style.

Products
Supertrash products can best be described as feminine, classy, girly and sexy.

Product assortment (for women)
Clothing (tops, cardigans, pullovers, dresses, blazers, pants, skirts, shorts, jumpsuits)
Accessories (jewelry, bags, scarfs, belts, hats, nail polish)
Shoes
Perfume
Store
Please refer to Appendix 6.16 for pictures of the Supertrash store.

Store location
The store is located in one of the main shopping streets of Amsterdam.

Recent news
- Supertrash plans to expand to Turkey, Dubai and Abu Dhabi, after recent store openings in London and New York, as part of the continuing enlargement of the brand (March 2013).
- On the occasion of the 20th anniversary of Disneyland Paris Olcay Gulsen will design a dress for a Disney figure on behalf of the Netherlands (March 2013).
- Olcay Gulsen (owner & head of design of Supertrash) is nominated for the award for most influential, inspiring and surprising fashion entrepreneur (March 2013).

4.1.5 Fast-fashion chains Zara, Mango and H&M

Any retailer’s main competitors to mention are today’s fast-fashion chains, such as Zara, Mango and H&M, of which all three of them are above average present in the Netherlands. With their fast response to demand, they are able to offer catwalk-inspired items within short time frames unlike more middle to high-end labels. Also, the prices of these items are about one-third of the price middle segment fashion brands offer, let alone the designer labels. Zara, for instance, forms one of the strongest threats due to its unconventional supply chain management and application of vertical integration.

On the contrary, what can be said for a brand as French Connection is that price does not necessarily have to be a problem; the consumer can either buy three seasonal items at for instance Zara, or one more timeless piece from Connection for the same amount.

4.1.6 SWOT Analysis

For the SWOT Analysis based on all findings in relation to French Connection’s identity and image in comparison to competitors’ characteristics, please refer to Appendix 6.17.

4.1.7 Porter’s Five Forces Model

*Buyer Power* +-
*Retailers*
Within the Netherlands French Connection has around sixty retailers as customers visiting the showroom twice a year and buying selected items from the complete offer of the upcoming collection. The collection of shoes has a minimum order amount of eighty pairs (some exceptions are allowed) and for clothing the order size must be around an amount of €4000 (retail selling prices) although this depends on various factors, for instance store size, store locations etc. Different requirements apply to different customers matching their formula in the best possible way. Sometimes buyers are forced to eliminate French Connection from their assortment if other customers brands require this and are more profitable. In general this rarely happens. Furthermore, a collection needs to remain selling and French Connection seems to always prove this.

*Consumers*
The Dutch consumers’ buying power is strong on the one hand as within the fashion world the consumer can choose from many supplier brands or stores with their own brand personality, which
all offer a variety of product designs and/or prices. Moreover, the consumer is not bound to one provider and can easily switch without costs. On the other hand, what French Connection offers is a brand with both an own brand personality and a specific offer of product designs, as for instance the brand is especially known for their trademark: embellished (sequin) dresses for weddings and parties. In addition to this, sometimes a different brand is ‘hot’ but French Connection remains a classic and remaining brand. Furthermore personal advice and styling is considered of paramount importance by the store staff in French Connection’s boutique store in Amsterdam which also contributes to a loyal customer base.

Supplier Power +
French Connection is very much depending on its worldwide suppliers as they have a lot of power and are quite demanding with their prices. French Connection produces in several countries, each country produces what this country is specialized in. Whether there are a lot suppliers depends on the kind of product as every sort of product is made by a different supplier. In addition to this, the production time of f.i. sequin dresses is a lot longer than for basic cotton t-shirts which also plays a role. What these suppliers produce is quite unique when it comes to the dresses which require a lot of time, efforts, materials etc.

Threat of Substitution -
In general, the threat of substitution is small as there is no clear evidence for a product or brand offering a better price/performance-ratio within the Dutch market.

Threat of New Entry +- 
Generally spoken, many current players in the Dutch market compete on innovation in design and brand aspirations and lifestyles for consumers. However, this often culminates in a spicy price competition and the different players in the market must gain loyal customers and through strong (marketing) activities they have to keep themselves attractive. In addition, it requires much effort and especially capital to enter the market with a total package of fashion product categories and to sell those through the usual sales channels. Yet French Connection’s size of the company enables the brand to fulfil this and from French Connection’s competitor analysis can be concluded that even French Connection’s main competitors are different in many areas.

Competitive Rivalry +- 
The power to the internal competition for French Connection within the Netherlands is of average size. Besides the fact that there exist many fashion providers in the market, and in general they are quite similar to competitors, there are still many attempts to distinguish in design, price, trend sensitivity, quality, (environmental) durability etc. This also applies to French Connection and its competitors. However, the various attempts to distinguish are not always successful and relevant and these fashion brands go bankrupt in the current financial situation.

4.2 Trends & developments

The acquisition of knowledge regarding the climate of a country and the mind-set of its inhabitants is essential when deciding upon the most important evolvements on political, economic, social and technological level. Before identifying the “Big Picture” developments amongst society in general and within the retail segment, one must understand the basis of the Dutch culture to be successful as a fashion brand in the Dutch market.
4.2.1 Geert Hofstede’s Cultural Dimensions Model

If we explore the Dutch culture through the lens of the Cultural 5-D (five dimensions) Model by Geert Hofstede based on the Netherlands (Hofstede, 2001), we can obtain a clear overview of the deep drivers of Dutch culture in relation to other cultures worldwide.

Power distance
The Netherlands scores low on this dimension (score of 38) which means that the following characterises the Dutch style: Being independent, hierarchy for convenience only, equal rights, superiors accessible, coaching leader, management facilitates and empowers. Power is decentralised and managers count on the experience of their team members. Employees expect to be consulted. Control is disliked and attitude towards managers is informal and on first name basis. Communication is direct and participative.

Individualism
Within the Netherlands, with a score of 80, there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. In individualistic societies offence causes guilt and a loss of self-esteem, the employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only, management is the management of individuals.

Masculinity / Femininity
The Netherlands scores 14 on this dimension and is therefore a feminine society. In feminine countries it is important to keep the life/work balance and make sure you have an equal, all-inclusive balance. An effective manager supports their staff and decision making is achieved through involvement. Managers strive for consensus and people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation and Dutch are known for their long discussions until consensus has been reached.

Uncertainty avoidance
The Netherlands scores 53 on this dimension and thus exhibits a preference for avoiding uncertainty. In these cultures there is an emotional need for rules (even if the rules never seem to work), time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.

Long term orientation
The Dutch score 44, making it a short term orientation culture. Societies with a short-term orientation generally exhibit great respect for traditions, a relatively small propensity to save, strong social pressure, impatience for achieving quick results, and a strong concern with establishing the truth i.e. normative.
For further explanation per cultural dimension, please refer to Appendix 6.18.

Implications for French Connection’s strategy aimed at the Netherlands include the results of the decentralisation of power meaning more democracy and equality amongst society which together with a high rate of ‘individualism’ means consumers demand an individual approach and treatment. As opposed to the United Kingdom, in a ‘feminine’ country such as the Netherlands, where finding the right balance and quality in both work and life is important, the spending of one’s leisure time is of just as much importance than work time. Since the Netherlands also represents a strong courage to avoid uncertainty, innovation is not always accepted and clarity in everything is required. Along with this, one wants to achieve as much as possible in the shortest possible time as opposed to UK inhabitants.

After having analysed the basis of the Dutch culture and its general effects for French Connection’s strategy, current trends in society also contribute to policy decisions with regards to the positioning in the Dutch market. On the basis of a PEST-analysis, most important trends for French Connection belong to the categories ‘Economical’ and ‘Social-cultural’, therefore current trends within these categories have been highlighted. For the complete PEST analysis, please refer to Appendix 6.19.

Economic facts to consider
Due to the worldwide financial crisis consumer trust has declined to a historical low level in February 2013, the following month March showed a slight increase in consumer trust yet this is still low (CBS, 2013). In line with this, households are spending less for 1,5 year now comparing the month March in 2013 with March in 2012 (CBS, 2013) Additionally, in all age groups in Dutch society the unemployment rate has gone up largely in the beginning of 2013 (CBS, 2013) And according to Dutch newspaper Volkskrant, the unemployment rate increases incredibly due to the bankruptcies of big companies (de Voogt, 2013). This causes a disconcerting increase in fired employees per company as most companies are suffering from a saturated market, resulting in a vicious economic circle.

In short, the above mentioned most relevant characteristics of today’s economic crisis must not be underestimated and is without a doubt one of the most important developments to be any (fashion) company’s concerns.

Social-cultural facts to consider
One of the most important (social-)cultural trends is fashion-related; whether related or not to the economic depression, one can almost no longer speak of: trends. Any fashion magazine sheds light upon various completely different trends and in an essay published in the March edition of Volkskrant Magazine, Cécile Narinx, editor in chief of the Dutch ELLE magazine, comments: ‘The time of the big trends for everyone to follow is over. In the past things were easy, a trend was born, grew big, to eventually disappear again. Today is different, today not only trends exist, also tendensies (styles and moods which last for more than a season), hits (the all of a sudden ‘must have’-items, but this time for real), classics (returning items but each time they appear slightly different than before) and lastly surprise elements (vintage or do-it-yourself pieces)(van Veen, 2013). Shortly, this means one can wear anything. Any lifestyle or appearance has become appropriate according to opinion leaders’ visions enabling fashion designers and brands to speak to a broader public with various collection themes.

Elaborating on fashion, the following paragraph illustrates the most important developments within French Connection’s industrial branch: Retail.
Referring back to economic developments and therefore the current declining market and unpredictable consumer preferences, retailers and suppliers in the fashion industry are compelled to be even more efficient.

In the fourth quarter of 2012 fashion stores gained 8% less sales than a year earlier. The overall economic situation remains unfavorable and uncertain. Consumers spend less on durable goods such as clothing than last year. According to figures from CBW MITEX, for the eighth consecutive quarter, there is a decline in sales. As in 2011, all fashion segments in the fourth quarter of 2012 show a decline in sales, with the exception of baby and children’s fashion in the third quarter (+3%). It was the first time since 2010 that a fashion segment was profitable again. The fourth quarter resulted in a sharp minus (-10%), the same applies for the development of men’s wear stores (HBD, 2013).

### Development per quarter year based on the year before

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<tr>
<td>Women’s wear</td>
<td>6%</td>
<td>-3%</td>
<td>-2%</td>
<td>-11%</td>
<td>-8%</td>
<td>-7%</td>
<td>-4%</td>
<td>-6%</td>
<td>-8%</td>
<td>-6%</td>
</tr>
<tr>
<td>Men’s wear</td>
<td>4%</td>
<td>1%</td>
<td>-2%</td>
<td>-3%</td>
<td>-6%</td>
<td>-4%</td>
<td>0%</td>
<td>-8%</td>
<td>-7%</td>
<td>-10%</td>
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<tr>
<td>Baby- and children’s wear</td>
<td>4%</td>
<td>-4%</td>
<td>-2%</td>
<td>-8%</td>
<td>-9%</td>
<td>-1%</td>
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<td>-9%</td>
<td>3%</td>
<td>-10%</td>
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<td>-6%</td>
<td>-9%</td>
<td>-2%</td>
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(Updated 12th of February 2013)

The above mentioned declines in sales and negative expenditure patterns have a large impact on retailers, such as French Connection. Free newspaper Metro leveled the overall mood in fashion stores in Amsterdam, the city in which French Connection’s store is also located, of which the interrogated entrepreneurs confirm the current developments and admit retail is going through tough times. The focus in on regular visiting customers, consumers invest in less items and differentiation in store formulas has become more important than ever (Bankras, 2013).

Another development in retail concerns the rise of the internet. In recent years the internet has become an increasingly important sales channel in the fashion segment. In 2008, online spending on clothing and footwear amounted € 353 million (including VAT), which represents 2% of total consumer spending on clothing and shoes and an increase of 24% compared to a year earlier. According to the Thuiswinkelorganisatie this amount increased in 2009 to over € 400 million (incl. VAT). But internet is not only important because of sales, in 28% of the purchases of clothing and footwear, the consumer has first used the Internet for the purpose of orientation. Furthermore, the importance of a good website and good online reachability is to increase (HBD, 2011).

The same illustrates the following research by Rene Spijkerman (2008:11-13): Retailer internet developments appear to be mainly complementary to their brick-and-mortar shop retail channel strategy. Of the interviewed consumers in the Netherlands 15% had bought garments on the internet. Age and gender effects were not found. Inhibiting factors were security worries about payment, privacy and delivery, but the expected reasons such as fun, product information and fit, feel and look were less important. From this we can assume that Dutch consumers miss the personal and physical connection when purchasing their apparel, which could explain why they are still using the internet more often as an information channel instead of a transaction channel.
When referring back to retail in its physical form, on the basis of trend watching report Retail2020 ten trends will prevail in retail (CBW Mitex, 2010);

1. **Individualization** means that today’s consumer no longer wants to belong to the mass. Not only in how they are being reached through communication or in the way of treatment, they also wish for personal tailor-made products in line with their special own demands.

2. **Cross Channel Commerce** has arisen from the opportunity of the internet as new sales channel. If both on- and offline are balanced, consumers are enabled to buy any product they want at any time available to them.

3. **The Digital Super Consumer** is a type of consumer in the know of any information through the use of social media, forums and review sites which all effect a person’s opinions, network and other personal characteristics. Through the use of internet in the consumer’s search – and orientation process, retailers are forced to respond to this through effective use of media.

4. **End of the Pyramid** indicates the how the compilation of the population changes with the rise of a new phenomenon: the new elderly people. These people have above average buying power and generally have more youthful minds. This means the end of a ‘one-size-fits-all’ approach as these consumers are characterized by a more independent and adult mind set and wishes are based on age, health and leisure time.

5. **Glocalization** describes, as the word already states, the combination between global and local. As retailers produce worldwide today, globalization occurs yet they know the importance and differences of local markets, therefore retailers tend to have a global strategy with room for local adjustments.

6. ‘Priori-time’ can be explained as the lack of time in people’s daily lives in today’s society resulting in a fusion of free time and working time, which have an impact on shopping; it is either ‘run shopping’ or ‘fun shopping’. For retail this means online shopping must be quick and efficient and offline shopping should offer and experience and make the consumer enjoy shopping.

7. **Transparency** from retailers to consumers through durable entrepreneurship and honesty and openness, is important today. Through the rise of critical consumers through all they read online, retailers have to account for anything from price to quality.

8. **The New Middle** refers to the middle of the market which has changed. The traditional bottom of the market has moved upwards with as a result a new definition of price and more competition which leaves retailers to choose which segment of the market they wish to serve as only the big players can afford to serve the whole market.

9. ‘Consuminderen’ (Dutch for ‘consuming less’) can be derived from consumer’s knowledge of existing boundaries of (financial) means. Diverse developments, such as high inflation and economic uncertainty create restrained consumers. Although prices are under pressure for retailers, consumers ask for high performances.

10. **New Markets** are characterized by upcoming countries such as Japan, China and India and US countries. Influenced by the economy, the focus for international companies will be on expansion within these growth markets. Although this is a general trend, it certainly accounts for the retail sector too.

In addition to the above, The HBD Report of ‘Het Nieuwe Winkelen’ (The New Way of Shopping) (HBD, 2011) has done research in shopping based on retail’s 6 C’s of Consumers, Communication, Customer Experience, Choose, Check out and Channels of which the conclusions all strongly refer back to the above mentioned trends as well.
For a brand as French Connection the above mentioned trends are relevant for its retail strategy and for the best possible way of customer approach. Summarized, French Connection must adapt to

- the low consumer trust and thus few expenditure
- the design-wise demand; there are no dictated trends anymore
- the rise of internet as a sales channel, but also the remaining importance of physical stores offering an experience and service and the internet as information channel
- the ten trends within retail based on the Retail2020 report and the HBD Report.

4.3 Conclusions

From the competitor analysis can be concluded that even the four most important competitors all have a different identity and products to offer, therefore these do not have a great impact on French Connections’ position. Nonetheless it remains of great importance for French Connection to remain as distinctive and express this in all possible ways from identity to product offer. This is illustrated by the outcomes of the analysis of Porter’s Five Forces model. On the basis of the Porter’s Five Forces model used, one can conclude that there are many substitutes available and many providers. By moving the brand from ‘FCUK’ to ‘French Connection’ it suffers less from the limited economy of scale compared to for instance Zara or H&M. The brand will differentiate itself. By means of a higher positioning there is more room for added value, thus profit, and will there be less substitutes available than if one stays with the brand FCUK. In short, the competitiveness will be improved by the upgrade.

Based on the analysis of the Dutch culture French Connection’s strategy aimed at the Netherlands will have to include the goals taking into consideration the following characteristics: the democracy and equality amongst society, consumers’ demand for an individual approach and treatment, the importance for consumers to have the right balance and quality in both work and life, the spending of one’s leisure time is of just as much importance than work time, a strong courage to avoid uncertainty, innovation is not always accepted and clarity in everything is required and one wants to achieve as much as possible in the shortest possible time.

In addition to this, the current economic crisis, the blurring of fashion trends on social-cultural level today, the rise of the internet and the ten most prevailing trends in retail (Individualization, Cross Channel Commerce, the Digital Super Consumer, End of the Pyramid (the new elderly people), ‘Glocalization’, ‘Priori-time’, Transparency, the New Middle (new definition of the middle segment), ‘Consuminderen’ (Dutch for ‘consuming less’) and New Markets) ask for a more creative way of approaching customers and building (and maintaining) relationships with them whilst respecting and reinforcing overall corporate strategy initiatives.
Chapter 5: GAP Analysis, conclusions & recommendations

As explained in the introduction of this thesis, gaps can occur on three different levels;

- On the first level gap 1 indicates the possible differences between the desired identity and the actual identity
- On the second level gap 2 indicates the possible differences between the desired identity and the physical identity
- On the third level gap 3 indicates the possible differences between the desired identity and the image

Gap 1 - Differences between the desired identity and the actual identity
The strong established brand identity of French Connection is well embraced by all employees within the company and stakeholders abroad. Although French Connection forms part of a demanding and changing environment which continuously requires adaptation, it can be concluded that French Connection’s board of directors has always informed all of its layers of employees on every new strategy or direction towards ‘French Connection’. Therefore there cannot be found an exact gap on this level.

Gap 2 - Differences between the desired identity and the physical identity
On the basis of the gained knowledge with regards to the desired identity and how this is reflected in the physical identity can be concluded that employees and other touch points with the brand (stores, advertising etc.) communicate the same message. With regards to the Dutch employees, they all fully embrace the ‘French Connection’ identity. Also on this level no exact gap can be pointed out.

Gap 3 - Differences between the desired identity and the brand’s image
As can be suggested from the above mentioned, French Connection’s general identity is coherent, yet despite overall changes in focus and expressions over time. However, the outcomes of the image research amongst the Dutch female consumer indicate that to some extent the identity of the brand is not perceived as probably desired which indicates there are options for the further positioning of the brand on the Dutch fashion market. On this level a gap is thus retrieved.

The conclusions below shortly summarize the findings of my overall research report whereas the recommendations will further explain the existing gap retrieved and how to approach this gap (because based on those recommendations the enclosed marketing communication plan is written).

Conclusions
After balancing all the outcomes of the image research together with the brand’s stated identity, options for the further improvement of French Connection’s positioning amongst the Dutch female consumer seem to include:

- A further focus on the positioning of ‘French Connection’ and all touch points of the brand ‘breathing’ ‘French Connection’ which will additionally contribute to a greater brand awareness overall. FCUK will no longer be used in any form of communication.
- A remaining focus on differentiation from ‘fast fashion’ competitors by means of unique designs (with the dresses as trademark), good quality and creative, stylish yet slightly humorous means of marketing.
- A focus on the dissemination of the core values ‘original’, ‘distinctive’ and ‘accessible’. Because of the importance of differentiation, the expression of the values ‘original’ and ‘distinctive’ need to get more attention and because of French Connection’s exclusive character as mentioned in some ways, the brand needs to show how ‘accessible’ it is and thus approachable.
Moreover, the research done on market level shows that from the competitor analysis can be concluded that even the four most important competitors all have a different identity and products to offer, therefore these do not have a great impact on French Connections’ position. Nonetheless it remains of great importance for French Connection to remain as distinctive.

Trend-wise, the low consumer trust, and thus few expenditure, plays an important economic role for retailers. Concerning the design-wise demand, there are no dictated trends anymore. In the field of technology the rise of internet as a sales channel needs to be acknowledged, but also the remaining importance of physical stores offering an experience and service whereby the internet (only) functions as information channel. Lastly, from the ten trends within retail, trends such as Individualization, Cross Channel Commerce, the Digital Super Consumer, ‘Priori-time’, the New Middle (new definition of the middle segment) and ‘Consuminderen’ (Dutch for ‘consuming less’) are most relevant for French Connection.

Despite the possible fact that the limited use of marketing communication within the Netherlands is aligned with corporate strategy, the following recommendations for the Dutch market in which French Connection operates, will be presented in the form of an external marketing communication plan.

Recommendations

From FCUK to French Connection

By means of the graph above is illustrated how by means of my research for this thesis I have been able to point out how the brand French Connection has grown over the years and where it is positioned on the Dutch market. As, in my opinion, there always exist further possibilities for improvement, so does this also apply to the positioning of a brand, in this case French Connection. As already recognized by the brand in the mid 2000’s, the brand’s biggest challenge is to compete with primarily their middle segment competitors, but mostly with the cheap fast fashion chains. This
also applies to their position within the Dutch market in 2013. As French Connection, or any other brand, is not capable of competing with these fast fashion ‘devils’, it is important to choose for a segment with a higher added value, therefore it has been very wise to step away from FCUK and position the brand as ‘French Connection’ within the Netherlands from the beginning. By means of this, the brand gets a more unique and exclusive character. This ‘upgrade’ is visible in the brand’s products (a change in product trademark), store concepts (the launch of the boutique store concept) and communication (advertising campaigns), at least for the Dutch market. Within the United Kingdom, the brand’s country of origin, there is still being made use of both brand expressions which has shown to damage the value experience of the brand. Therefore it is advisable for the headquarters in the United Kingdom to finish off the transition from FCUK to French Connection in order to take their mature brand to a next, profitable (in all forms) level again. Since this thesis is focused on the Dutch market, the following recommendations will be aimed at the improvement of the brand’s position in the Dutch female customer’s mind. The recommendations will have a rise in brand awareness and ‘differentiation’ as most important goals for focus.

Brand awareness
With regards to the relatively low brand awareness of French Connection mostly due to the absence of stores in cities and lack of presence in media it is, first of all, advisable to focus both on communicating the existence of all other physical French Connection points of sale in the Netherlands and to highlight online possibilities to purchase French Connection with taken the current trend of the internet as rising sales channel in consideration too and taking further optimization of sales into account. On top of that, French Connection’s awareness needs to be stimulated through various ways of fashion marketing, preferably with the use of unconventional media avoiding unnoticement in line with the company’s beliefs.

Brand values
As we have concluded that within the Netherlands FCUK is not interchangeable with French Connection as brand name and identity, French Connection is a brand on its own in the Dutch market. This facilitates the further positioning of ‘French Connection’ and offers the chance to bring the brand’s key values of ‘original’, ‘distinctive’ and ‘accessible’ across in the best possible way.

The brand shows originality and distinctiveness in its designs already, and it also does in its communication, yet it is the communication which needs support. Also the accessibility of the brand is not as well communicated to the Dutch consumer as it is often associated with being a middle segment; too exclusive and expensive rather than ‘accessible’. As price remains to play an important role and because in potential consumers’ opinions ‘style’ does not need to be expensive, there is a threat consumers see different options to dress in style and by making French Connection more accessible this issue can be approached. Also in this case, differentiation is the key word.

Brand positioning
The fact that the brand is mostly associated with being a middle segment fashion brand did not only provide negative associations. Associations such as unique designs, well-made and good quality styles, creative styling and shopping windows all seemed to apply to French Connection too. The desire amongst the consumers for the creation of a personal style by means of clothing also corresponds to this and all together it offers French Connection options to cherish what they are currently good at and options for further improvement.

Brand’s product trademark
Product-wise, the product category ‘dresses’ is greatly visible for potential customers, the brand is well-known for it amongst current customers and as this category forms the brand’s trademark today
as mentioned by the brand, this product category needs to be cherished and can contribute to the brand’s remaining distinctiveness.

Brand’s customer
Eventually research indicated an interesting ‘new’ ‘target’ group to focus on within the existing broad customer base the brand aims at; ‘working women between the age of 25-45’. Most buying customers turned out to belong to this category and potential customers considered the brand to be most suitable for this group which is interesting. Nonetheless, all marketing communication should still be aimed at a broader perspective of (potential) customers but this group could be given a special priority.

The above mentioned research results in combination with current trends within the Dutch culture which include the demand for an individual approach and treatment, limited time but a focus on quality time (fun shopping) in people’s lives, a possible rejection to innovation, the importance of clarity and organization, an economic crisis and blurring fashion trends, form clear guidelines for marketing means aimed at a future brand development.

By means of the for this thesis performed research I have been able to analyze the brand French Connection, its current position in the Dutch fashion market, its strengths, weaknesses and opportunities for further improvement to blow away threats. The GAP analysis according to which this complete thesis is written lead to the design of a marketing communication advice to reduce the existing gap between identity and image after (re)positioning. Enclosed one will find a marketing communication manual which will function as inspiration for the brand French Connection to further establish the brand amongst Dutch female consumers’ minds gaining more brand value and thus generating an increase in sales.

Let yourself be inspired and energized by options for the creation of greater brand value for...

French Connection.